

# Memo



**Metro**

600 NE Grand Ave.  
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Date: Tuesday, Aug. 18, 2020  
To: Senior Leadership Team  
From: Brian Kennedy, Chief Financial Officer  
Subject: Fall Budget Guidance

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The decisions we made to reduce spending in the 4<sup>th</sup> quarter of FY2020 and the reductions that were incorporated into the FY2021 budget have been important in Metro's response to the COVID-19 pandemic and associated economic crisis. When we made those decisions in April, we knew we might need to make further reductions in the fall. Unfortunately, we now know that this is the case.

## Directions

- Department Directors will need to develop and prioritize budget reduction strategies consistent with the Principles and Criteria laid out below.
- Departments that receive General Fund allocations need to reduce their use of General Fund resources by 15%. Departments will receive credit for previous agency-wide savings efforts (e.g. WorkShare, non-rep pay freeze, etc.).
- Finance Managers will provide specific guidance to departments.
- Cabinet will also be reviewing agency-wide and across the board reductions that may reduce the size of department cuts. Any decisions made by the COO and the impact on departmental cuts will be communicated by your department Finance Manager.

## Timeline

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| • Budget reduction proposals due to Finance          | September 1 <sup>st</sup>                             |
| • Department meetings with COO/DCOO/GMVV (as needed) | September 8-11 <sup>th</sup>                          |
| • Council worksession                                | September 15 <sup>th</sup>                            |
| • COO decisions                                      | September 18 <sup>th</sup>                            |
| • Council budget amendment consideration             | September 24 <sup>th</sup> or October 1 <sup>st</sup> |

## Principles

- We are guided by Metro's values and the Council adopted [Strategic Plan to Advance Racial Equity, Diversity and Inclusion](#) (Strategic Plan) and committed to centering racial equity in our collective responses to the economic impact of COVID19.
  - Work with your internal equity leaders and/or staff of color to ensure you're applying an equity lens to your decisions.
    - Ensure that reductions do not exacerbate existing inequities or accelerate the financial and health crisis.
    - Use department/venue racial equity plans in addition to the agency Strategic Plan for helping to prioritize budget recommendations
    - Review the **Racial Equity Framework and Process** document for additional information and complete the included worksheet. Email [cassie.salinas@oregonmetro.gov](mailto:cassie.salinas@oregonmetro.gov) for additional support.
- Metro will continue to identify and advance strategies to protect and invest in Black Lives. We will prioritize maintaining the resources needed to deliver on the commitments Metro's elected leaders have made to Black community leaders.
- Think about how you're balancing the competing values of taking care of our employees and protecting the financial health of our institutions.

- Be clear and transparent about the work that will not get done. The result of these decisions is doing less with less.
- Consider the tradeoffs between implementing across the board reductions (“thinning the soup”) versus deeper, targeted reductions that eliminate or significantly scale back lower-priority department programs.
- Think broadly and creatively about how we can do our work differently. Think across department lines. Think across jurisdictional boundaries. Now may be the time to implement that idea that seemed politically unpalatable recently.
- Focus on actions that will result in long-term savings.
- Prioritize essential services and recognize that those essential services may need to look different than they do now.

#### Criteria

- Expenditure reductions must be net of any associated revenue reductions. This may not apply to every department as not everyone has department-specific revenues. Work with your Finance Manager to determine if there are revenue impacts from your reduction scenarios.
- Do not include in your department submissions any reductions that require bargaining with AFSCME or LIUNA to be implemented. However, please forward those ideas to the COO/HR to determine their feasibility.
- Reductions that affect another department (e.g. a transfer for payment for services) must be coordinated with the other department.
- Expenditure reductions cannot eliminate mandatory functions. If your reduction affects a mandatory function, explain how your department will continue to comply with legal requirements.
- Reductions with employee or public safety risks (e.g. reducing below minimum staffing levels) need to be clear and describe how those safety risks will be mitigated.
- Reductions with significant impacts on span of control need to document how those impacts and risks will be managed.
- Do not include any reductions from reduced/eliminated COLA/Merit increases, partial furloughs or schedule reductions. Finance will work with HR and the COO’s office to determine the impact of changes to those global factors and will pass along savings numbers to Directors and Finance Managers.